Knight Commission
On Intercollegiate Athletics
A PROJECT OF THE JOHN S. AND JAMES L. KNIGHT FOUNDATION

September 12, 2025

The Honorable Brett Guthrie
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
House Committee on Energy and Commerce
2107 Rayburn House Office Building
Washington, DC 20515

The Honorable Tim Walberg
Chairman
House Committee on Education and Workforce
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Robert C. Scott
Ranking Member
House Committee on Education and Workforce
2328 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jim Jordan
Chairman
House Judiciary Committee
2138 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jamie Raskin
Ranking Member
House Judiciary Committee
2242 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members:

We write on behalf of the Knight Commission on Intercollegiate Athletics,[1] an independent nonprofit leadership group with a legacy of impacting policies that prioritize college athletes' education, health, safety, and success. Our past successful policy work targeted elements central to college sports maintaining its position as a public good — elements like athlete graduation rates, gender equity, and financial transparency.

We are reaching out to provide educational background about billions in annual national college sports revenue distributions and to outline an important change the Commission has proposed to the financial incentives in those distributions. If implemented, the Commission's proposed zero-cost solution would help achieve one of the stated objectives of the SCORE Act — "defending Olympic sports" — and boost the values of college athletics that many lawmakers support.

Since the SCORE Act aims to codify significant components of the college sports system, we believe it is important for Congress to consider sound values-based incentives in the annual revenue distribution systems and potential corrections to those systems that could better protect collegiate Olympic sports.

[1] https://www.knightcommission.org/

To be clear, this letter focuses on incentives in the system and not spending associated with college sports. We are aware of other proposed reforms that address how funding is allocated and spent. While that side of the equation is also important, we believe that addressing financial incentives must be part of any comprehensive package of reforms.

Problem: NCAA and College Football Playoff (CFP) systems fail to adequately incentivize investment in opportunities for women's and men's collegiate Olympic sports

Financial incentives reflect the values and the priorities of college athletics. The Knight Commission believes the financial incentives in college sports should appropriately reflect its education-based priorities — priorities that are central to the basis of the SCORE Act and that are inadequately supported by current incentives in the NCAA's and CFP's revenue distribution systems.

Two separate national college sports entities — the NCAA and the College Football Playoff Administration LLC — together distribute more than $1.3 billion in shared athletics revenue annually. It is projected that this figure will exceed $1.6 billion by 2027. The formulas for distributing those revenues include incentives, such as performance rewards for winning games in the March Madness tournaments and the CFP as well as incentives for providing athletics opportunities. The sport of FBS football is the only sport incentivized by both the NCAA and the CFP. **[*Note: For more detailed information about each distribution and sources for this summary, see the attachment.*]**

The problem is that the combined effect of these systems fails to adequately incentivize institutions for offering opportunities in women's sports and men's sports other than FBS football (sports we collectively refer to as "collegiate Olympic sports").

Specifically, a portion of existing NCAA incentives (35 percent) broadly encourages the value of athletic "opportunity" in Division I sports by providing financial incentives to institutions for the number of athletic scholarships offered and for exceeding a threshold number of varsity sports. In 2024, these incentives totaled more than $200 million. We believe the 35 percent figure is appropriate; however, the formula used to calculate the distributions is skewed to provide disproportionate financial rewards for offering scholarships in the sport of FBS football, resulting in "collegiate Olympic sports" being greatly undervalued.

At the same time, the revenue distribution for national championship revenues for FBS Football is managed independent of the NCAA by the CFP and is provided exclusively to FBS Football conferences and institutions, which comprise less than 40 percent of Division I institutions. The CFP's distribution to those institutions is projected to exceed $1 billion beginning in 2026-27.

Proposed Solution: Shift financial incentives for the sport of FBS football exclusively to the CFP distribution (revenues from the FBS Football National Championship event)

The Knight Commission's proposed solution to correct the inadequate and misaligned financial incentives of Division I sports is to **shift** all financial incentives related to the sport of FBS football to the CFP, thus removing FBS football-related incentives from the NCAA distribution. This shift would immediately increase the value of NCAA incentives to all Division I schools for offering sports other than FBS football **by more than $60 million annually**, according to an independent analysis[2] produced for the Commission by CLA. This change essentially would tie the entire pool of NCAA opportunity incentives of more than $200 million annually to Division I sports other than FBS football (i.e., women's and men's collegiate Olympic sports and FCS football).

Any reductions in NCAA incentives that some FBS football institutions may experience with this shift in funding opportunity incentives for the sport of FBS football will be negligible due to the exponential rise in CFP revenues. As noted previously, CFP revenues, generated through its expanded playoff and new media contract, are available only to Division I institutions offering FBS football and will exceed $1 billion in 2026-27.

Potential Unintended Consequence of SCORE Act: Athlete opportunities for women and men athletes in collegiate Olympic sports at risk of being diminished

In its current form, the proposed SCORE Act does not address these financial "opportunity incentives." However, the legislation does attempt to mitigate the potential loss of sports opportunities by requiring any school that meets the Act's specified budget threshold to offer a minimum of 16 varsity sports. Unfortunately, in the absence of stipulations like strengthening financial incentives, the SCORE Act's provision may have the unintended consequence of enticing college sports programs to reduce their current sports offerings to only 16 sports. According to an NCAA research report,[3] Division I institutions offered an average of 19 varsity sports in 2023-24. On the higher end, 32 Division I institutions offer 25 or more sports, according to data collected by the Knight-Newhouse College Athletics Database[4] from institutionally-submitted reports to the NCAA and the Department of Education for the Equity in Athletics Disclosure Act. Additionally, the database shows that public institutions in the four highest-resourced conferences offered an average of 21 sports.[5]

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[2] http://www.knightcommission.org/wp-content/uploads/2020/09/kcia-cla-report-revenue-distribution-impact-fbs-football-factors-093020-01.pdf
[3] https://ncaaorg.s3.amazonaws.com/research/sportpart/2024RES_SportsSponsorshipParticipationRatesReport.pdf
[4] https://knightnewhousedata.org/about#aboutdatabase
[5] https://knightnewhousedata.org/reports/dd0205c5

President Trump's "Saving College Sports" Executive Order goes further than the SCORE Act in offering specific provisions aimed at "protecting and expanding women's and non-revenue sports," signaling a need to do more to ensure these participation opportunities are not lost.

We believe that a critical part in any comprehensive remaking of Division I sports should also address and rectify current financial incentives in the distribution of more than a billion dollars in annual shared revenues from postseason championships.

The Importance of Supporting and Expanding Opportunities in Collegiate Olympic Sports

As the United States Olympic and Paralympic Committee (USOPC) emphasized in its July 17, 2025, letter to Chairman Guthrie, Ranking Member Pallone, Chairman Walberg, and Ranking Member Scott, collegiate Olympic sports are essential to the development of U.S. Olympians and TEAM USA's Olympic success. The USOPC letter highlighted that at the 2024 Paris Olympic and Paralympic Games, "75% of U.S. Olympians and 53% of U.S. Paralympians had collegiate affiliations."

More broadly, these collegiate sports opportunities develop future leaders through experiences that cannot be replicated in the classroom. A widely-cited EY study[6] found that 94 percent of C-Suite female executives played sports in school and more than half of them (55 percent) were collegiate athletes.

The general public also recognizes the value of these opportunities. A recent national public opinion poll[7] found that nearly 7 in 10 Americans believe it is important for universities to offer participation opportunities for athletes in sports other than football and basketball.

In short, the data are clear — collegiate opportunities are vital to Olympic success and valuable to the development of young men and women beyond the playing field.

Concluding Note

In the attached document, we provide more details on the existing revenue distribution systems and offer some guiding principles for enhancing national incentives for institutions to offer athletes opportunities to participate in collegiate Olympic sports.

We believe that our principles would help preserve, enhance, and better align annual revenue distributions with the SCORE Act's self-described educational priorities for college athletics.

[6] https://www.ey.com/en_au/athlete-programs/why-a-female-athlete-should-be-your-next-leader
[7] https://bit.ly/collegesportspoll

Boosting financial incentives for offering varsity sports participation opportunities — "opportunity incentives" — provides a pathway to protect and expand opportunities for collegiate Olympic athletes.

We are glad to answer questions about our recommendations and related efforts. Our CEO, Amy Privette Perko, can be reached at perko@knightcommission.org.

Sincerely,

Pamela J. Bernard

Pamela Bernard
Co-Chair

Len Elmore
Co-Chair

cc: Speaker Mike Johnson
Representative Steve Scalise
Representative Tom Emmer
Representative Gus Bilirakis
Representative Hakeem Jeffries
Representative Katherine Clark
NCAA President Charlie Baker

Attachment: Background on current revenue distribution systems and principles to consider

Attachment

Background on Annual Revenue Distributions and Incentives and Proposed Principles

National shared revenues distributed annually to Division I institutions by the NCAA and separately by the College Football Playoff (CFP) exceed $1.3 billion annually and are projected to exceed $1.6 billion annually by 2027.

NCAA revenue is generated from national championships conducted by the NCAA, primarily its March Madness basketball tournaments. The NCAA distributes more than $650 million annually to Division I institutions.[8] The NCAA provides more than $170 million annually as financial incentives for wins in the March Madness tournaments. Opportunity incentives are also embedded in the NCAA's current annual distribution formula by tying 35 percent of its distribution to the number of varsity sports and athletics scholarships offered. These incentives total more than $200 million in "opportunity incentives;" however, the formula is skewed to provide more financial incentives for offering FBS football, even though the NCAA revenues do not include revenues from the FBS football national championship (the CFP). The NCAA's distribution formula was created several decades before the CFP launched and created its own independent revenue distribution in 2015.

The College Football Playoff Administration LLC operates the national championship for the sport of Football Bowl Subdivision (FBS) football — the College Football Playoff — independent of the NCAA. The CFP Administration LLC manages the CFP's revenue distribution,[9] which exceeds $680 million annually and is scheduled to exceed $1 billion annually beginning in 2026-27 with its new media contract.[10] Also in 2026-27, the CFP's distribution formula changes to send more than 90 percent of its distribution to 67 schools in the Power 4 conferences and Notre Dame. The remaining distribution is provided to the other 68 FBS schools and their conferences. The CFP distribution formula currently includes $116 million in football success incentives, which are financial bonuses paid to conferences whose teams advance through each round of the playoff. The CFP distribution formula does not include any "opportunity incentives." The NCAA does not receive any revenue from the CFP or from any postseason revenue from the sport of FBS football. Yet, the NCAA continues to pay out significant national costs related to the sport, including the health insurance costs and legal liabilities.

PROPOSED PRINCIPLES

1. **Opportunity Incentives.** The revenue distribution of any national college athletics entity that distributes more than $200 million annually to institutions and/or their conferences, must

[8] https://ncaaorg.s3.amazonaws.com/ncaa/finance/d1/2024D1Fin_RevenueDistributionPlan.pdf
[9] https://collegefootballplayoff.com/sports/2017/9/20/revenue-distribution.aspx
[10] https://apnews.com/article/espn-cfp-9d75671decaa5e47ca2d1eaef8a0b693

designate at least one-third of the revenue distribution as "opportunity incentives" that reward institutions for offering varsity sports and athletics scholarships in the sports for which the entity conducts a national championship and collects revenues from such championships.

[*Impact of applying this principle: This principle essentially reflects the NCAA's current distribution formula but appropriately shifts opportunity incentives for the sport of FBS football from the NCAA to the CFP.*]

2. **Merit.** Institutions earning the entity's "opportunity incentives" must receive 100 percent of the incentives earned.

   [*Impact of applying this principle: Institutions that earn these financial "opportunity incentives" would be guaranteed to receive them directly. Conferences could not capture these incentives and repurpose them for their different priorities as current policies allow.*]

3. **Transparency.** The revenue distribution policy, formula, and actual distributions to institutions, conferences, or other entities, of national shared revenues (e.g., championship revenues, national media rights) for any college sport must be reported publicly within at least one year of actual distribution.

   [*Impact of applying this principle: The NCAA and the College Football Playoff (CFP) would be required to provide publicly accessible reporting of their annual revenue distributions, including the distribution policy, formula, and actual distributions to institutions, conferences, or other entities. Both entities currently provide transparency for their distribution formulas but not their actual distributions.*]